GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1974
ANSWERED ON:04.08.2000
MANIPULATION IN LARSEN & TOUBRO
ASHOK ARGAL

Will the Minister of FINANCE be pleased to state:

(a) whether SEBI is examining the case of manipulation in Larsen and Toubro script;

(b) if so, the details of SEBI guidelines overruled by L&T during the past three months; and

(c) the action has been taken against L&T (Larsen & Toubro) for misleading the investors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) to (c): SEBI has intimated that theyhave examined the matter relating to violation of any of the guidelines/disclosure requirements specified under the listing agreement with stock exchanges, leading to possibility of any market abuse. A preliminary examination was conducted in connection with the conflicting reports in the media about the proposal of demerger of the L & T`s cement division to be considered in the Board Meeting for 4thJuly, 2000. The company clarified to the stock exchanges that the Board would be updated in the meeting on 4th July, 2000 regarding the progress on the implementation of a consulting group`s recommendations, which inter-alia, included the recommendation on restructuring the cement business. This clarification was immediately disseminated by the stock exchanges. Subsequently, in its Board Meeting on 4th July, 2000 the company, in principle, decided to demerge its cement division. Thus, on preliminary examination, SEBI has concluded that there is no case of misleading investors.